

Testimony of Raphael L. Podolsky

S.B. 4 – An Act Concerning Connecticut’s Present and Future Housing Needs Housing Committee public hearing – February 28, 2023

We **SUPPORT** this bill as a whole. Below are our comments on two parts of the bill that deal with landlord-tenant relations:

- **Late fees** (Secs. 8-9): While case law holds that late fees must be reasonable and cannot be so high as to be a penalty, there is no existing statute that regulates the amount of late fees. Existing law does prohibit imposition of late fees if rent is paid within the statutory 10-day grace period. There have long been issues about multiple charges for a single late payment (by applying rent payments so that one late rent payment will result in late charges for every subsequent month if it is not paid). The bill limits late fees to a maximum of \$25 and prevents late fees from being pyramided (late fees on late fees) or tenants being evicted for non-payment of rent because of late fees.
- **Rent stabilization** (Secs. 1-4): Sections 1 through 4 of this bill are the same as H.B. 6588 and H.B. 6589, which have previously had public hearings. In regard to those two bills, we testified to our concern that the allowable rent increase provision was too high, in that it could be interpreted as authorizing rent increases of CPI plus 4%. We believe, however, that the intent of this provision is not to induce rent increases in that amount but rather to make CPI plus 4% the maximum rent increase that can be imposed within any 12 month period. Larger increases would be subject to phase-in. More important, it is not intended to prevent fair rent commissions acting under C.G.S. 7-148b through 7-148f or courts acting under C.G.S. 47a-23c to apply the statutes they enforce to rental charges or rental increases of less than that amount. There is a danger, however, that S.B. 4 will not be interpreted in that way in the absence of more specific language. There is also a risk that landlords will be able to evade the statute by bringing an eviction against a protected tenant for lapse of time. This can be prevented either by making clear that the 12-month maximum increase established by this bill applies not only to the current tenant but also to a new tenant or by expanding the no-fault eviction protections of C.G.S. 47a-23c to apply to all tenants protected by Sections 1(b) and 3(b) of this bill.
 - **Suggested addition**: The following language should be added to the end of line 15 and line 99 of this bill: “Nothing in this section shall prevent a fair rent commission or a court, acting pursuant to sections 7-148b through 7-148f, 47a-23c, or any other lawful authority, from establishing a lesser amount than the maximum permitted by this section.”
 - **Suggested addition**: The following language should be added after the word “section” in line 12 and line 97 of the bill: “...regardless of any change in occupancy of that dwelling unit or mobile manufactured home space or lot.”